

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	SB 58
Fiscal Note Number:	2
(S) Publish Date:	1/29/2021

Identifier: 0674-EED-FP-1-26-21
Title: FUNDING FOR CORRESPONDENCE
PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Education and Early Development
Appropriation: K-12 Aid to School Districts
Allocation: Foundation Program
OMB Component Number: 141

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Initial version; not applicable.

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

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Analysis

This bill addresses funding for correspondence programs operated by school districts (both district and statewide programs) by amending AS 14.17.140(b)(1)(C), Public school funding, and AS 14.17.430, State funding for correspondence student.

This bill provides for the following changes to the Public School Funding Formula (Foundation Formula) as it pertains to correspondence students:

- (1) Moves the correspondence student average daily membership (ADM) from the end of the Foundation Formula, when determining basic need, so correspondence students are eligible for the special education and career and technical education multipliers; and
- (2) Changes the weight of a correspondence student ADM from 90 percent to the actual ADM, as submitted.

This change is projected to cost the State of Alaska approximately \$35.5 million, starting in FY2022, and is based on the FY2022 projected correspondence ADM count of 18,798.30.

Attached to the Public Education Fund (PEF) fiscal note is a breakdown of the increase in funding by school district. This change impacts only 32 of the 54 school districts, as not all school districts operate a district and/or statewide correspondence program.

The effective date of this bill is July 1, 2021 (FY2022).

The funding mechanism is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for FY2022 through FY2027 is reported in the fiscal note for the PEF, as the funding is deposited to the PEF, not into the Foundation Program funding component. The above analysis is presented here for explanation purposes only.